

SHIP DISPOSAL PRE-SOLICITATION
JULY 18, 2013
TELECONFERENCE TRANSCRIPT

SHAWN IIRELAND: Who's on the line?

SOREC: Southern Recycling.

SHAWN: Who's that from Southern Recycling?

SOREC: Polly Parks

SHAWN: OKAY. I'm going to allow; give another five more minutes for others to dial in and we'll actually start at 1:05.

SOREC: Who's on the line for MARAD?

SHAWN: This is Shawn Ireland.

ALFREDIA: And this is Alfredia Rich Murphy.

SOREC: Hi, Alfredia. How are you doing?

ALFREDIA: OKAY.

SHAWN: Okay, it's 1:05 let's go ahead and get started. Is there anyone else on the line? Okay, at this time I would like to let the participants know that this teleconference is being recorded, and we plan to post the transcription of the recording to FedBizOps for use by all of the interested parties. I would also like to go ahead at this time and let the participants from MARAD introduce themselves.

GABRIEL: *Gabriel Chavez, Office of Chief Counsel*

JAN: *Jan Rodrigues, Office of chief cancel*

WAYNE: *Wayne Leong Office of Acquisition*

MARCUS: *Marcus Moses, Office of Acquisition*

CURT: *Curt Michanczyk, Office of Ship Disposal*

And Shawn Ireland, Office of Ship Disposal.

Kevin Tokarski, the Associate Administrator for National Security may plan to join us a little bit later. He's currently in a meeting, but he does plan to probably join before the end of the meeting. This meeting will go from 1:00 to 2:00, and the intent of this meeting is to go ahead and go through the current solicitation and some of the additional information that has been posted. I will be the moderator for this meeting, and I intend to conduct and review specific sections from the revised solicitation, and this would be from the revised solicitation that was redlined version and posted in FedBizOps on July the 10th.

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ALFREDIA: *I'd like to introduce myself now. My name is Alfredia Rich-Murphy, I'm from the Office of Acquisition.*

SHAWN: Thank you, Fredia. All right, we will also take questions at the end of the meeting, time permitting. All right the explanation of the purpose of the teleconference is to summarize the solicitation processes to date, to summarize and explain the major changes in the new solicitation relative to the previous sales and services solicitation, to answer the questions submitted by close of business on Monday, July 15, in response to our request for additional questions to the redline revised solicitation that was posted on FedBizOps on July 10. We're also going to explain what comes next in the solicitation process after today's teleconference, and, time permitting, to receive additional questions at the end of the agenda that will be responded to in a public posting at FedBizOps for the benefit of all ship recyclers and others that are interested in the ship disposal solicitation.

All right, summary of the solicitation process to date. On April 29, a synopsis was posted announcing the new solicitation for acquiring ship dismantling services via sales and service contracts, and announcing a public comment period. On May 13, the draft ship disposal solicitation was posted for public comment. On May 28, which was the original closing date for public comments, the closing date was extended twice: first to June 7, and then secondly to June 14 based on a request from a ship recycler. June 14 was the date of the extended closing date for public comments.

On July 10, the following was posted to FedBizOps. "The redlined revised solicitation – this is the document includes the clarifications/revisions that were made based on comments received during the public comment period. The public comments/questions with the MARAD responses, a request for additional questions covering the red-line revised solicitation that was to be submitted by close of business on July 15, and notice of this public pre-proposal teleconference on July 18.

All right, summary and explanation of significant changes in the 2003 [sic] ship disposal solicitation, and this is an overview of that solicitation. The same framework and processes are in place as the previous solicitation. It's the same 2-step process of facility qualification then participation in ship specific announcements by qualified facilities. The solicitation still covers both acquiring ship dismantlement services, both through sales and service contracts. The solicitation updates and incorporates all amendments made to the previous solicitation. The solicitation takes repetitive clauses that were included in each vessel recycling announcement and incorporates them into the solicitation. The generic statement of work is the same, and has been incorporated into the solicitation. The Commercial Item Test program and simplified acquisition are still in place. The solicitation will remain open for sales indefinitely, and for the commercial item test program, the closing date will be as determined by Congress.

All right, some specific changes that are to be highlighted: submission of new, complete, up-to-date General Technical Proposals, GTPs, by all currently qualified ship recyclers in the format required in

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PART VI, Section A, with all the required supporting documents... that would be the Business Plan, the Operational Plan, the Health and Safety Plan and the Environmental Compliance Plan. And the Purpose is to ensure that all the amendments submitted by the offerors over the previous years to their GTP's are consolidated into a new, up to date and complete General Technical Proposal that remains fully compliant with the requirements for the Technical Compliance Plan.

Now what I'd like to do is go ahead and turn to that section, and that is Part VI supplemental documentation I believe it is called, and page VI-A-1. All right, the technical compliance plan is the primary basis for the evaluation of (and I'm reading from that page, it's like the second paragraph down), and the TCP is the primary basis for the evaluation of (1) the degree to which the offeror's claims of performance capability are supported, (2) the ability of the offeror to perform in accordance with the contract requirements, and (3) the intent to dismantle the vessels domestically, in accordance with all applicable local, state and federal environmental safety and health processes, procedures, laws, regulations, and guidance. Now you'll notice on the red-lined version, that section that talks about international vessel dismantlement has been removed, and that will no longer be applicable because we now have a requirement to dismantle our vessels domestically.

All right, the next thing I wanna look at is the other parts that are required. If you go through the Technical Compliance Plan requirements, it talks about the things that you need to have – the operational plan; it goes through and tells you what you need to have in the operational plan. On the next page it talks about the business plan. It talks about what is required in the business plan... key personnel, prerequisite and relevant experience, organization and management structure.... The next page, if you go through that, it's more of the business plan. The following page, page VI-A-6, is worker safety and health, and that goes on for the next page, and we get to the environmental compliance plan, and that also defines some of the things that need to be provided in the Technical Compliance Plan as part of the general technical proposal.

All right, the next thing I wanna talk about is the review of the sample TCP format, which is required. This is attachment 1, it's page VI-A-10, and this is the Sample TCP format. The new TCPs need to be formatted in this format so that they are concise and easy to follow, and they have continuity from one technical proposal to another. That way that we can go ahead and go through those in a quick fashion, and review them, and they're all pretty much the same – it helps us with our review process. So this is a requirement, they have to be in this format. And I won't go through each of the pages, but you can see there's 3-4 pages of the requirements. All right, submission of the General Technical Proposals includes the format, the due dates and the evaluation time line. Now if you turn to Part I Qualification of Facilities on Page 1-4, I'll go through that. All right, page 1-4, proposal submission, General Technical Proposal submission. GTPs described above shall be single-sided, single paged, single spaced, and in Times New Roman 12pt. The GTP shall be submitted in hard copy and on three CD-ROMS to the Acquisitions Contracting Officer, and the GTP shall be submitted in an MS Word format. Now, the thing we are pointing out here is that we do not want you to submit them via the US Postal service, because

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all of the mail goes through an irradiation process (in Ohio I believe), and we've had issues with the untimeliness of the submittal of documents going through that process, and destruction of CDs, and waiting 30-60 days, if not longer, to receive documentation.

All right, Due Dates for submittal of General Technical Proposals: Now, for companies whose GTPs were found to be technically acceptable under the prior MARAD ship disposal solicitation request for quotation and vessel sales solicitation (that would be the one that was issued, I think, in 2008, and has been in effect up until today, and through today) they are required to submit a complete new GTP consolidating and updating the information previously submitted under the prior solicitation, identifying any changes from the previously accepted General Technical Proposal.

All right, provided that a complete new General Technical Proposal is submitted to the Contracting Officer within 30 days from the date of the issuance of the formal solicitation, a previously approved facility shall be allowed to temporarily retain its technically acceptable qualification, and remain in the pool of qualified facilities able to compete under this new solicitation until MARAD has completed the reevaluation of such new GTP. However, if after evaluation of the new GTP the offeror's GTP is no longer technically acceptable, the offeror will be removed from the pool of qualified facilities until its new GTP is found technically acceptable. If a previously approved facility fails to submit a new complete General Technical Proposal within such 30 day period, that offeror will be removed from the pool of qualified facilities until a new complete GTP is submitted, evaluated, and found technical acceptable.

All right, an offeror who submitted a General Technical Proposal under the prior ship disposal solicitation that is currently undergoing evaluation by MARAD shall submit a new GTP that incorporates the latest proposed changes, amendments, and updates for each qualified facility, identifying any changes from the previously submitted proposal. If such an offer fails to submit a complete new GTP within 30 days from the date of the issuance of this new solicitation, the offeror must begin the qualification process anew under this solicitation.

Paragraph C-2.C: an offeror who submitted a GTP under the prior ship disposal solicitation that was found technically unacceptable, but susceptible to being made acceptable, must submit a new, complete GTP for evaluation identifying any changes from the previously submitted proposal. All other offerors must submit new, complete GTPs in accordance with this solicitation. This solicitation remains open for the submission of new GTPs at any time until the solicitation is closed.

All right. Evaluation of General Technical Proposals, that leads to page I-6 which is the time for evaluation. If we look at the time for evaluation, that would be paragraph F-1: MARAD will continuously evaluate proposals as they are received, the time needed to complete the initial evaluation of newly submitted proposals will be dependent upon the completeness of the initial proposal's submission and agency workload. MARAD's goal is to complete the initial evaluation within 8 weeks from the date a complete GTP is submitted. Complete GTP will be determined by MARAD.

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GTPs submitted under the ship disposal solicitation will be evaluated in the following order: new GTPs from companies whose prior GTPs were technical acceptable under the previous solicitation, provided the GTP was submitted by the due date required to obtain the temporary technical acceptability status, or to carry forward their current technical acceptability status... those will be first. New General Technical Proposals from companies whose prior GTPs were technically acceptable under the previous solicitation, but their complete GTP was not submitted by the due date required to obtain the temporary technical acceptability status, they'll be second. New GTPs from companies whose GTPs were found to be technically unacceptable, but susceptible to being made acceptable under the previous solicitation, that will be third. And lastly, the offerors submitting new GTPs.

All right, the new solicitation also incorporates into the solicitation language previously included in the prior announcements. Examples include: state consent requirements for aquatic invasive species, in water hull cleaning, vessel dry-docking, vessel general permit requirements, historic assessments, source selection best-value-basis with evaluation criteria. The results will be recycling announcements that will be shorter and more streamlined. The solicitation also incorporates relevant documents previously in the VOA technical library into the solicitation in Section VI, supporting documents. Examples include the insurance requirements, the bonding requirements, the towing requirements, the Generic Statement of Work, the Tow Preparation List of Responsibilities, State Consent for Aquatic Invasive Species, and the USCG Interim Criteria for cleaning hulls on MARAD vessels prior to relocation. The posting of the solicitation and all relevant documents on FedBizOps to facilitate tracking of changes throughout the life of the solicitation, and the Federal Business Opportunity (FedBizOps) web site is the Government's Point of Entry, the single point where Government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations, and associated information reside and the public can access such information electronically. MARAD will be able to post solicitation amendments, updates and revisions in a timelier manner. And intent is to be able to track all of these, and have one complete record.

Suspension of VOA for submittal of general technical proposals, sales offers and price revisions until the current software issues are resolved. Exceptions to that will be: posting of vessel documentation in the Vessel Documentation section – that will still be made available for offerors to go in and download vessel drawings, reports, and things like that relative to each vessel, and posting of sales and service contract awards in the Awards section of the VOA.

All right, inclusion of a due date for return of executed sales contracts and sales proceeds. Turn to Part III Ship Disposal Sales Solicitation Page III –Para 9, para D.4 or D.5, so let's find that. All right, Paragraph D.5: Payment of Sales Price. Sales contracts are executed by the awardee and returned to the Contracting Officer within 10 calendar days from the awardees receipt of the specific vessel sales contract. Payment of the specified sales price shall be remitted to the government account via wire transfer by the awardee within 15 calendar days from the awardee's receipt of the written notification

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that such awardee is the apparent best value offeror for the sale of the vessel. Failure to remit the sales price to the government within the prescribed time frame may result in the government awarding the sales contract to the next best value offeror.

All right, new liquidated damages daily rate, I wanna turn to Part V Clause and Requirements (Applicable to both Sales and Service Contracts). That's on Page V-33, All right this is under paragraph 4: the Performance Schedule Delay Liquidated Damages, and basically the only change between this version and the previous version.

SOREC: *Excuse me Shawn, what was that page number*

Page V-33, Section 5... Part 5... V-33.

SOREC: OKAY.

SHAWN: OKAY. And again, the only change between this version and the previous version is that the dollar rate has gone up to \$621 vs the previous \$600. All of the other terms and conditions are applicable.

The next thing we have is a table defining hull cleaning requirements, based on Federal and State regulations and requirements, requirements in lieu of the recitation in announcements. If you remember the announcements contained almost a page of paragraphs related to the various approvals of the hull cleaning requirements. So let's look at the new tables, turn to Part VI Supporting Documents Section H Page VI-H-1.

SOREC: *We need you to go slower on that*

SHAWN: Okay. That would be to the Supporting Documents, part VI Section H Page VI-H-1. Got it? All right, what this is... is the table that we've got is inclusive of the Invasive Species State Consent Status, the status of state approval for MARAD and Navy vessel entry into state waters for disposal after cleaning of aquatic growth from underwater hulls. If you look at the table on the left hand side, we have the individual states and across the top we have the various vessel locations: James River, Beaumont Reserve Fleet, Suisun Bay Reserve Fleet, the Naval NISMF Facility in Pennsylvania, and the Naval Facility in Hawaii. And basically what we have here if you look at the code at the bottom... the checkmark refers to the state that will accept vessels into their waters if the vessel hulls are cleaned with an in-water process and vessels depart the biogeographic area within 14 days of cleaning. Now, the in-water process currently is the MARAD approved process, and that applies to those states such as Virginia for James River Ships, Beaumont Reserve Fleet, Louisiana for James River Reserve Fleet Vessels, Beaumont Reserve Fleet Vessels, and the Pennsylvania and Hawaii Vessels. So you can see the gist of how this is laid out, it's a lot easier to decipher which vessels can have what cleaning done to go to what facility in

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what state. For example, in Maryland, vessels that leave the Beaumont reserve fleet must be dry-docked before they can go into the state of Maryland. That's what the DD stands for. Same thing with vessels leaving the Suisun Bay reserve fleet, all of those vessels have to be dry-docked. And same thing with the vessels going into Maryland from a dry-dock facility in Hawaii. So this is an easier way to decipher all of the pertinent paragraphs that we had in the announcement.

All right, next part includes contract clauses and technical requirements that are applicable to both sales and service contracts in Part V, Section II to ensure the requirements are consistent across sales and service contracts. So we'll wanna turn to Part V Section II Page V-2, and this is actually, it says, Subpart V.A at the top, and these are clauses and requirements applicable to both sales and service contracts. Now I won't read them all, but I'll go through at least to give you a gist of what they are. We have a definitions page that is applicable. If you turn the page, we have General Terms and Conditions. No warranty by the government, restrictions to the use or sale of the obsolete vessel... The next page, paragraph A.1.C is the Performance Bond, and you'll notice that such bond shall be in the amount of dollars and a blank. That blank will be filled in at the time that the contract's awards are drafted up. Contractors guarantee and indemnity. Next page, we have the Contractor Representations Insurance, and if you keep going through you'll see that these are all basically the same as what we've had in previous sales contracts and service contracts. They've all been distilled into one section here because they're applicable to both. Delivery of the obsolete vessel, the as-is where-is clause.... If we get to page V-10, successors and assigns, contracts by members of Congress... If we get to page V-12 we have the Statement of Work. This statement of work section replaces the generic statement of work that was posted in the Virtual Office of Acquisition, and this page here will be part and parcel of the new sales and/or service contract to give the general characteristics of the vessel. We have the Technical Compliance Plan, Notice to Proceed, Towing Requirements... We get to page V-19 we have paragraph A.2.G which is Disposition of Scrap. The next page is Disclaimers and Potential Health Hazards... Next page V-21 is Demilitarization of Ordinance and Equipment... Page V-22 is Performance and Performance Monitoring... this is the section that will talk about contractor contract performance in calendar days, Performance Schedules and milestones, all of this is pretty much the same. There may be one or two small changes compared to what we currently do in terms of the performance schedules and monitoring. Go to page V-31 and this talks about the Contracting Officer's representative. We have inspections by the government. Next page is contract completion. Bottom of page V-32 is excusable delays... and we're right back where we were with the liquidated damages. So that's the extent of the clauses that are applicable to both sales and service contracts. And they will be in the solicitation, and when we.... Excuse me I'm getting a note here. Yeah, I know. We found an error, which we have to correct. All right, it also includes updated and and streamlined the old sample sales contract and incorporated...

SOREC: *Error? You have an error you have to correct?*

SHAWN: Yeah, it's just a typo error.

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Updated and streamlined the old sample sales contract and incorporated it into the solicitation in Part V, Section I and II, and we just talked a little bit about that but let's turn to paragraph V-1 and V-35. We just went through all of V-1 through page V-35, so if you go to page V-36, what you'll see there at the bottom...er, the beginning of page V-36 is the Authorities for Sale of Obsolete Vessels. This is the conveyance of the title for the sale of the vessel. This is where the title transfers to the recycler when the vessel arrives at the facility. The service contracts would be different obviously. Payment for the obsolete vessel. Page V-36 is Terms of Sale, the Counterpart's Signatures, the Governing Law, Termination Clauses. Uh, next page on V-38 is Disputes and Order of Precedents on the next page. Now this particular section applies strictly to sales contracts, all right, and these will be included in the new contract document as part of the cover pages and the signature pages. The intent here is that the sales contract will be reduced in size and will become more streamlined. It is our intent that the sales contract will actually only be about 10 pages including the bill of sale.

All right the next section that we're dealing with is the updated and streamlined—

SOREC: *In clarification here, Shawn, you said that the sales contract is gonna be 10 pages long?*

SHAWN: The intent is to streamline it to the point where it will only be 10 pages long, and that will be the — those pages that will require the fill-in portion, such as the conveyance of title, the bonds amount, the scheduling requirements, those types of things, because all of the other clauses are gonna be in the solicitation — they stay the same, they don't change.

SOREC: *But can it be legally binding?*

SHAWN: It'll be incorporated by reference.

SOREC: *But on the solicitation...I just wanna get this clarified because you guys change every single little solicitation thing that you put out. So you're gonna have a solicitation that you can just, sort of, change at will...?*

SHAWN: ...No, we're not gonna change it at will, we're going to use the solicitation as the body for the contract clauses so that the contract itself, by reference, will incorporate those clauses that remain the same. The contract will actually have those clauses that require changes, such as filling in the bond requirement, the conveyance of title, which is strictly applicable to sales, or the performance periods...and also the bill of sale, we have to have that as well as the signature pages for the contract. Now, if we make changes to the solicitation, they will be done by amendments posted in FedBizOps, and that's the only way we'll make changes.

SOREC: *And we get a copy of this proposed sales contract?*

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SHAWN: The proposed sales contract will be posted when we post the formal solicitation. You have, in this solicitation right here, 90% of the sales contract... all right, because basically other than a couple of pages and the bill of sale, everything is right here. I just went through everything that's in the sales contract.

SOREC: *We would like to get a copy of one... like a sample, like what you had posted up in the library in the VOA.*

SHAWN: We plan on doing that as part of the formal solicitation when we post it. Same thing for a service contract, we plan on posting one of those as well.

Okay, updated and streamlined the old services contract and included service contract only clauses in Part V, Section III. So let's go take a look at that. That's on page V-41, and it's actually subpart V.C. And if you look through this, this has the Authorities or the Ship Disposal Service Contract format, this gives you the SF 1449 which is the standard cover page, and it talks about the various sections that we have through the services contract. It also talks on the next page, paragraph C.2, the commercial item FAR clauses. These clauses will be incorporated by reference, and it lists them. It talks about the addendum to FAR 52.212-4 Contract Terms and Conditions, commercial items, and all of those are continued reference on the next page and/or listed. If you notice on paragraph C.2, Contract Terms and Conditions Required to Implement Statutes or Executive Orders for Commercial Items as of January 2013, this is the gist of all of the ones that will be in the contract. And the ones that are X'd are the ones that'll be applicable.

Page V-47, paragraph C.3 is the Wage Determinations under the Service Contract Act. Now what we will do in the announcement we will probably post,...well, we will, post the Wage Determination guidelines for the various areas like we have done in past announcements. Paragraph C.4: Title Conveyance, and this talks about the Maritime Administration shall retain the title to obsolete vessels throughout the towing and disposal of the obsolete vessel. C.5's Liquidated Damages, and you'll notice the same dollar figure, \$621 per day. Additional Damages Under Services Contract, Clauses Incorporated by Reference, next page C.8 is Contract Financing. If you go to page V-52, C.9 talks about E-Verify. If the contract award exceeds the simplified acquisition threshold, then the following clause applies for E-Verify. All right, so basically, what I just went through right there is the basis of a service contract, the only difference being the cover page. And most of these won't change.

All right, documents required with the sales offers and price quotations. Turn to Part III Ship Disposal Sales Solicitations Page III-3. All right, if you'll look down at the bottom of the page it says paragraph C.3 Required Document Submittals, and it goes over to the next page C.3.A General Technical Proposal Updates, and these are updates to the original General Technical Proposals, if any, including any and all changes to the Technical Compliance Plan and changes affecting the Requisite Environmental

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Compliance Plan, Operational Plan, Business Plan, and Health and Safety Plan, and what it doesn't say here and we probably should add is that if there are no changes, then you should say there are no changes. That way, for clarification, everybody knows that there's no differentiation or no updates. Paragraph C.3.B Scale facility Diagram, and we're requiring a scale facility diagram that shall be provided that clearly indicates the location of existing work, the placement of vessels included in the sales offer upon their arrival at the buyer's facility, and the proposed sequence of the vessels into the dismantling slip... And let me just segue and stay right here that these document submittal requirements apply to both sales and service contracts. Vessels awarded must be moored at the contractor's qualified facility, not at offsite locations where access to the vessel precludes active contract performance. C.3.C Underwater Hull Cleaning – If underwater hull cleaning is required for a specific vessel, and MARAD requires the offerors to contract with a MARAD qualified underwater hull cleaning contractor to perform the underwater hull cleaning as part of the sales contract, the offeror shall include in their sales offer a quotation from the contractor for the cleaning of the underwater hull. Now, that's the only difference in that particular paragraph right there. Before that we were just asking for a breakdown, and that was not sufficient for us. We want a copy of the quotation that was received. Paragraph C.3.D Initial Single Ship Integrated Schedules – single ship integrated performance schedules are required for each vessel on which a sales offer is submitted. Each individual ship shall be integrated with all other MARAD, Navy, or commercial work at or expected to be at the offeror's recycling facility during the proposed vessel dismantling period to determine the offeror's reasonable performance period duration for each vessel based on the single ship award. Supporting documents section F1 through F3 Performance Milestones – provide more detail on requirements for performance schedules. And we have three separate performance schedule milestone charts, one for James River, Beaumont type vessels, one for Navy vessels, and one for Suisun Bay Reserve Fleet vessels that include the dry-docking milestones. Next paragraph, Required Content for Integrated Performance Schedules: single-ship or multi-ship integrated performance schedules shall include all other awarded Maritime Administration, Navy, and Commercial work processes suspected to be in process during the scheduled recycling period for the individual vessels. There's the single-ship vessels and there's the integrated multi-ship vessels. If we go back out and ask for additional schedules that incorporate more than one ship in a potential scenario. They have to have the same content as if it was initial ship – single-ship schedule. Next page, Sequencing Narrative: a narrative description outlining the single ship integrated or multi-vessel sequencing and scheduling shall accompany the sales offer. The narrative shall clearly describe the offeror's intended plan for the movement of the vessels through the offeror's facility during the dismantlement process, clearly integrating newly awarded vessels into the dismantlement sequence with existing MARAD and Navy dismantlement projects. Now, it's gonna be somewhat difficult, we realize that, in terms of saying definitively what's gonna happen, but you need to project forward as to what is gonna be there at the time that you make these schedules up. All right, two things that come out of this that need to be taken into consideration: One, if an offeror does not submit the requested documentation, MARAD will not reach out and request the missing documentation, and two, MARAD will find the offeror not responsive to the announcement and will not consider the offeror's sales or price revisions for award if we do not receive the submitted and required documentation. In the past, we might not have received sufficient

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information, but from this time forward under new solicitation, we are gonna require all of this documentation to make the evaluations and do the awards.

Okay, responses to additional questions submitted by close of business on July 17 in response to the July 10 request: there were no additional questions received.

All right next step, explanation of the 2013 Solicitation Process Moving Forward. We will develop written responses to any additional questions we receive during this teleconference and post those questions and responses in FedBizOps. We will edit/amend the draft solicitation, if necessary, as a result of questions/comments received. July 30 is the date for the issuing of the formal solicitation, and based on the redlined version and where we are in this process, we do not anticipate major changes. August 9 is the deadline for submission of questions on the formal solicitation. August 29 is the target deadline for the submission of new, complete, up-to-date General Technical Proposals by all currently qualified ship recyclers in order for them to retain their current technically acceptable evaluation for participation in the new solicitation.

SOREC: *Shawn, can you go through that schedule again please?*

SHAWN: Okay, as soon as I finish I'll go back through it. Ship-specific sales and service announcements will be issued under the newly issued solicitation after award of the vessels for which sales offers were received on July 27. Anticipate award of those vessels by late September 2013.

All right, the schedule again. We will develop written responses to any additional questions that we receive during this teleconference and post them on FedBizOps. We will edit and amend the draft solicitation, if necessary, as a result of questions or comments. July 30 is the date for the issuing of the formal solicitation. Now, like I've mentioned, I mean, we've pretty much gone through all of this and most everything has stayed the same but-and we do not anticipate major changes to the overall solicitation. August 9 is the deadline for submission of questions on the formal solicitation. August 29 is the target deadline for submission of new, complete, up-to-date General Technical Proposals by all currently qualified ship recyclers in order for them to retain their technically acceptable rating for participation in the new solicitation. Ship-specific sales and service announcements will be issued under the newly issued solicitation after award of the vessels for which sales offers were received on July 27, those are the ones we're currently undergoing evaluation. And we anticipate award of those vessels by late September 2013.

SOREC: *Um...okay...so you're gonna have questions on the solicitation on August 9. I did not notice a period for which you were going to respond to questions on August 9. You just stated that on August 29 all proposals are due. When are you going to respond to the questions?*

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SHAWN: Well it depends on how many questions we get. If we respond, we'll post them obviously into FedBizOps, if we get no questions there's nothing to respond to. Again, because we don't anticipate major changes to the solicitation, we don't really anticipate a whole lot of questions to be perfectly honest with you. But if we get them, we will turn them around as quickly as possible.

SOREC: *Well, if the solicitation is similar to the one that you have now I expect you will be getting quite a lot of questions on it, because there's still a lot of problems with this thing. But...*

SHAWN: Then the questions may be repetitive, and the answers may be the same as what we've already posted.

SOREC: *Well, they may not be repetitive, and they may not be whatever you think they are, okay?*

SHAWN: The other thing is that...

SOREC: *August 29, though, my understanding is that if you have a period for questions and answers, then you have to set the period for when you are going to respond to the questions and the answers, okay? And, I mean, other contracts and RFPs and RFQs, that's what they do. I think it might be in the FAR, I mean, I could go look it up right now, but I'm not going to. But, so then you need to have a period to give yourself time to answer the questions and then after that, after people get the questions and can, you know, take a look at it if there's not another period for Q&A. Like the Navy IDIQ, you went back and forth for quite a while on things, okay? But the...August 29, you can't support a proposal if you don't know the answers to the questions.*

SHAWN: Well obviously our solicitation is not nearly as complex as the Navy IDIQ, so we don't anticipate that extensive back and forth process. We will take a look at the questions that we get by August 9.

SOREC: *It is as complicated as the Navy IDIQ. The Navy IDIQ was set out in a very formalized way, okay? It followed the way that the FAR has you put out a solicitation. And your solicitation is only a few pages less than the Navy IDIQ solicitation.*

SHAWN: The answer to your question, Polly, is we will take a look at the questions that we receive by August 9, we'll make a decision at that time if we need to have an additional follow-on teleconference or, depending on the extent of the questions, we'll go from there.

Are there any other questions?

SOREC: *Yes. Um, starting back, okay, um, my first question is: these sales offers on all the 6 vessels that were put up on July 27—*

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SHAWN: Polly, that question is not related to this solicitation so there is no answer that we can provide for you on that. Please make your questions relevant to this new solicitation.

SOREC: *Okay, well I'll make it relevant to this solicitation. You have listed in the back of the solicitation a total of 26 ships, including two from the Navy, and six of those ships went out for sales bid. I asked this question in writing before and never got a response, but is the vessels that are listed...in what is the section called... in the section right before the names of the companies at the very end... I guess it's part VI section... well anyway. Are these all the NDRF ships that are left that are gonna be subject to this solicitation.*

SHAWN: I think we answered the question already, didn't we?

CURT: Yes

SOREC: *Can you repeat the answer for the record?*

SHAWN: Well, I don't have those Q&As in front of me.

CURT: Polly this is Curt. The gist of the answer was that the list of vessels that we gave you are the current list of non-retention vessels. As vessels are downgraded to non-retention status, either they are ours or the Navy's, they will come under this solicitation. They will be disposed of under ship-specific announcements related to this solicitation. We can't predict, for certainty, which ships will be downgraded or when they will be downgraded, so we only included the list of currently downgraded ships that are counted as non-retention.

SHAWN: These are the ones that are available for disposal at this particular moment. As other ships are added to the list, we will update the list and post it in FedBizOps.

SOREC: *Well you have two U. S. Coast Guard cutters, I think, that are in the current SBRF vessel review. How many U.S. Coast Guard – well, first of all, is there an MOA with the coast guard?*

CURT: *We have an MOA with the Coast Guard. No, there is an MOA with the Coast Guard.*

SOREC: *There is an MOA... Could you all please provide a copy of that? And... are there additional Coast Guard vessels that are planned to come through on this particular solicitation?*

SHAWN: Again, as the vessels are made available, and are available for disposal, they will be posted on the list and added to FedBizOps.

SOREC: *Okay, I didn't get an answer on whether you're going to provide us with a copy of the MOA. -*

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CURT: *You can...you can submit a FOIA for that, Polly.*

SOREC: *With which office is it in the Coast Guard?*

CURT: *You can submit a FOIA for that information Polly.*

SOREC: *Well, I would like to know...I mean, why is it a big secret?*

CURT: *Polly, it's not a big secret. The vessels that are listed, the specific vessels that are listed are the only vessels that are currently non-retention that'll be handled, you know, through this solicitation of ship specific announcements. As a matter of fact, there's a chance that occasionally what happens is that vessels are turned around from non-retention to retention status, so it would come off the list. In any case, Coast Guard, Navy, or MARAD vessels, as they are listed as non-retention and are put in the disposal queue... you will be informed of those vessels at that time. There are... there's no secret list of additional vessels that we are withholding from anyone.*

SOREC: *Well, no, we just wanted to see what the situation is and what the potential number of vessels are that are gonna be coming in on this solicitation.*

CURT: *And we will give you that information as we have it Polly, we don't have the information.*

SOREC: *Well.... Is there an MOA with the Navy?*

CURT: *Yes there is.*

SOREC: *Okay, can you provide a copy of that MOA?*

CURT: *You can request it through FOIA.*

SOREC: *Which office in the Navy is the MOA with?*

CURT: *Same answer as I gave you for the Coast Guard.*

SOREC: *No answer?*

CURT: *You can request it through a FOIA request.*

SOREC: *Well, all the FOIA requests that I have put into you all, have not been satisfactorily responded to. I must have at least, about, 13 that are still outstanding that were put in starting in 2009.*

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CURT: *Okay, well you can take that up with FOIA office. Polly, we've got about 5 more minutes so what we want to do is record any other questions you may have.*

SOREC: *Well, I have some other questions here, I mean I –*

CURT: *Well let's rattle through them, because the purpose at this point isn't to receive answers and respond to them, it's to record all the questions so that we can respond to them and provide those Qs and As to everybody that may be interested.*

SOREC: *Okay, well, I want you to put your Q and A on this issue about the MOAs at least. On the...Okay, on the thing here in the back, now I've gotta go back and find it. I must say that this is a very poorly organized solicitation, and it makes it very hard, and I think it was very indicative with the way that Shawn had to go back and forth from section to section to section, so it's very difficult... this is not the same thing as what you all had before, and there are a lot of major changes.*

SHAWN: And the question please?

SOREC: *In the section... on where it is, let me find it here...back, it says...Page VI A-10 Attachment 1 Sample TCP Format. Now, in your (untelligible) information that you're giving us, you said that all the TCPs that are submitted will have to be done within this format. That is not inside the solicitation, and it says a sample TCP format. So I just want to get it clarified, we have to rewrite our TCPs to meet this sample TCP format.*

SHAWN: The answer is yes.

SOREC: *Okay. If there are items within your... this... all these other parts of this thing that are not part of this outline, where are we supposed to put that information? Do we just do an addendum at the end?*

SHAWN: Uh... additional information as part of the TCP, okay?

SOREC: *Well you have... many requirements*

SHAWN: Okay, well I'm writing this down. Additional information as part of the TCP: where does it go, where to attach. All right...Next question.

SOREC: *Okay... which companies do you not have an updated TCP for?*

SHAWN: Polly, that's not a question that's part of this solicitation. Next question.

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SOREC: *Well I think that is a question. You have our updated TCPs.*

SHAWN: You've got three minutes, next question.

SOREC: *Okay. Do you have, and you said, and this is in the thing, that you have to identify changes if they are in the TCP. If the TCPs are being rewritten to a new format with new information, how are we to ID the changes?*

SHAWN: All right...so if they're being written...

SOREC: *You know, when you do a change sheet on an existing submittal of something, you redline it or, with the Navy IDIQ we had to color the pages and do a line in the sidebar thing. So how are we to do that?*

SHAWN: Okay, next question.

SOREC: *And I question 30 days being an adequate time for anybody to rewrite a proposal when they're in the middle of doing a lot of other things, including doing contracts. And this gets into, this process that you have at the beginning of this thing on the qualification of facilities, and the ability to... it appears to me, okay, that many of the major changes in this proposal have to do with creating a situation where you have a smaller pool of offers, because you're gonna...you could withhold your acceptance of a company or a company facility even if the company or the facility is currently undergoing contract.*

SHAWN: Is there a questions Polly?

SOREC: *Yes, the question is, that's a contradiction. How are...In the real world how is that going to work?*

SHAWN: I didn't quite get the question.

SOREC: *I said how is that going to work?*

SHAWN: How is what going to work?

SOREC: *Okay, if on April...er August 29, ESCO does not submit their proposal, and ESCO has a bunch of ships over at their facility, OKAY, so you're...what you would be doing is keeping ESCO from bidding. I mean, that's the net effect of what you're doing. Because I don't think that you're going to go pick up ships at people's facilities. Or are you?*

SHAWN: Is your question basically what happens if somebody doesn't submit their revised TCP within the 30 days period?

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SOREC: *Yeah.*

SHAWN: Okay.

SOREC: *Well, no, no, no, that's not it. Because you all answered that. They can't bid. But what is the effect of this on active contracts? OKAY...the active contracts have to be...*

SHAWN: So the question is, what is the effect on active contracts.

SOREC: *Yeah. They have to be done under a TCP.*

SHAWN: Okay. All right, one more question.

SOREC: *When will a copy of this meeting be placed on FedBizOps?*

SHAWN: As soon as we can.

SOREC: *That's not an answer...well I've got a question...*

SHAWN: All right that's it, we're out of time, I appreciate everybody's participation.

SOREC: *Well no, you can keep this on, it's your thing.*

SHAWN: So thank you very much, I appreciate the call-in and we'll go ahead and get these questions answered, and typed up, and posted as quickly as we can. Thank you very much.